EXHIBIT CC
TO JOINT STATEMENT OF
UNDISPUTED FACTS



UnitedAmerica Insurance Group Mail Room

APR 0 3 2007

Three Hala Plaza East Suite 300

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Bala Cynwyd, PA 19004 P: 810,664,1500 F: 61C.660 8882

March 30, 2007

Diane Cruz

Direct Line: (610) 660-5473 dcruz@unitednat.com

Mr. Christopher J. Borders

Hinshaw & Culbertson, LLP One California Street – 18th Floor San Francisco, California 94111

Member Companies

Penn Arterica Group

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Re:

Insured:

Cirrus Medical Staffing, LLC

Plaintiff:

Ben Tracy, as Personal Representative of the Estate of

Marilyn Tracy, Deceased

Policy No.:

AH 0000267

Policy Period:

01/27/2006 - 01/27/2007

Retro Date: Claim No.

06/01/2002 06003370

United National Group

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UnitedAmerica Indennity 1'd

Dear Mr. Borders:

I am writing in response to your letter dated March 22, 2007, as well as your March 19, 2007 letter regarding the same matter. This letter incorporates and supplements United National's prior correspondence regarding this claim.

United National has communicated its coverage position to Interstate and the policyholder. United National disagrees with your suggestion that the policy is ambiguous, or that United National has waived any of its rights with respect to this claim. United National has specifically reserved all of its rights and waived none.

In addition, despite the fact that United National has disclaimed coverage, and there is no coverage under this policy for the claim, United National offered to contribute \$100,000 toward the settlement of the underlying claim. National believes that this contribution exceeds its obligations under the policy, and is not willing to contribute the additional \$274,250 demanded in your letter.

' Page 2

Nothing in this letter is intended to be, nor should it be construed as, a waiver of any rights United National may have under the policy or applicable law. Please direct all further inquiries regarding this matter to Anita Fox at 517.377.0837 or afox@fraserlawfirm.com.

Very truly yours,

UNITED NATIONAL INSURANCE COMPANY

Diane Cruz

Senior Claims Examiner

cc: Jennifer Green, Claims Specialist Interstate Fire & Casualty Company